

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: April 4, 1995

SUBJECT: **SB 1640 - HB 1501**

This bill, if enacted, will allow local education agencies to budget at the end of the fiscal year any remaining unexpended fund balance in the "dedicated education fund" above 3% for recurring annual expenditures.

Current law prohibits local education agencies from using unexpended fund balances for recurring expenditures. Presently, such fund balances are available to meet unforeseen increases in operating expenses or to offset shortfalls of budgeted revenues.

The fiscal impact on local governments from enactment of this bill in and of itself is estimated to be minimal since the provisions of the bill are permissive.

However, to the extent local education agencies choose to use unexpended funds for recurring expenditures, local government expenditures are estimated to increase. Such increase cannot reasonably be determined but can reasonably be estimated to exceed \$100,000 with first year funding coming from surplus funds.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director